GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2388
ANSWERED ON:23.07.2004
DISCONTINUATION OF SAVINGS SCHEMES
Kumar Shri Shailendra;Patle Shri Shishupal Natthu

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to discontinue three schemes carrying high rates of interest as has been published in the "Rashtriya Sahara" dated July 10, 2004;

(b) if so, the names of these savings schemes;

(c) the reasons for discontinuation of these savings schemes;

(d) the likely impact on Government revenue as a result of discontinuation of these schemes;

(e) whether the Government proposes to announce new savings schemes in place of the above schemes;

(f) if so, the rate of interest to be paid on these schemes; and

(g) if not, the reasons therefor ?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBRAM)

(a) to (g) The Finance Minister in the Budget Speech for 2004-05, has announced the introduction of a new Senior Citizens Savings Scheme, offering an interest rate of nine per cent per annum, open to all senior citizens. Consequently, new deposits under the following three schemes have been discontinued:-

(i) Deposit Scheme for Retiring Government Employees, 1989,

(ii) Deposit Scheme for Retiring Employees of Public Sector Companies, 1991, and

(iii) 6.5% Savings Bond (Non-Taxable).

No adverse impact on the Government's revenue is expected as a result of the above decisions.